REMARKS

In response to the non-final Office Action mailed November 7, 2005, Applicants respectfully request reconsideration of all outstanding rejections in view of the following remarks. Claims 1-8 and 19-26 are rejected as allegedly filing to meet the requirements of 35 U.S.C. § 112. Claims 9-18 are rejected as allegedly failing to meet the requirements of 35 U.S.C. § 101. Claim 26 is rejected as allegedly being obvious over U.S. Patent No. 6,615,187 to Ashenmil *et al* ("Ashenmil"). Claims 1-26 are currently pending.

I. The Abstract

The objection to the Abstract is moot in view of the amendment to the specification submitted herewith.

II. The Claims Meet The Requirements of 35 U.S.C. § 112

The rejections of claims 1-8 and 19-26 are moot in view of the amendments to the claims submitted herewith.

Applicants note here that although the Office Action states that claim 19 is rejected under § 112, the Office Action fails to provide any reasoning with respect to claim 19. Applicants respectfully request that the Examiner phone Applicants' counsel at the number far below if an Examiner's amendment, for example, would address the Examiner's concerns regarding claim 19.

III. The Claims Meet The Requirements of 35 U.S.C. § 101

The Office Action rejects claims 9-18 as allegedly reciting a non-functional data structure. Applicants respectfully traverse this rejection as follows.

A. The Claims Are Not Directed To A Mere Arrangement Of Data

The Office Action states that claims 9-18 recite "a mere arrangement of data that describes a contract terms and conditions..." Office Action, page 5. Applicants respectfully traverse this assertion as follows.

Claims 9-18 are not directed to mere descriptive material embodied on a data structure. Claim 9 recites "a first obligation," "a second obligation," "a third obligation," and "a fourth obligation." Such limitations are not directed to a "mere arrangement of data," such as a music or a literary work. Instead, these limitations specifically recite certain rights and responsibilities. Applicants respectfully assert that any comparison of the present claims to media containing music or literature cannot be sustained. Specifically, music or literature cannot serve to create "a first obligation," "a second obligation," "a third obligation," and "a fourth obligation." Music or literature cannot serve to create "a trust." In sum, the present claims recite fully-functional limitations that cannot be interpreted as mere data.

Furthermore, a limitation that may encompass a data structure does not poison a claim otherwise directed to statutory subject matter. *Diamond v. Diehr*, 450 U.S. 175, 187 ("A claim drawn to subject matter otherwise statutory does not become nonstatutory simply because it uses a mathematical formula, computer program or digital computer."); *State Street*, at 1601 ("[A] process, machine, manufacture, or composition of matter employing a law of nature, natural phenomenon, or abstract idea is patentable subject matter even though a law of nature, natural phenomenon, or abstract idea would not, by itself, be entitled to such protection.").

Applicant respectfully requests that the Examiner withdraw the rejection over § 101.

B. The Claims Are Directed To Functional Material

The Office Action states that claims 9-18 recite data, where "such data cannot impart any functionality." Office Action, page 5. The Office Action further states, "the obligations are not capable of performing any function." *Id.* Applicants respectfully traverse this assertion as follows.

It is telling that the Office Actions states, "the obligations are not capable of performing any function." The point is: the obligations are functions. Claims 9-18 recite highly-functional limitations, such as "a first obligation," "a second obligation," "a third obligation," "a fourth obligation," and "a trust." There can be no tenable argument that "an obligation" is not functional. Indeed, an obligation functions to, for example, establish rights or responsibilities. Likewise, there can be no tenable argument that "a trust" is not functional. Trusts are highly functional entities, which can serve to fund a multitude of endeavors, processes, and patentable material. Again, obligations and trusts cannot reasonably be classified as non-functional when they facilitate securitization of an obligation as claimed.

Applicant respectfully requests that the Examiner withdraw the rejection over § 101.

IV. The Claims Are Patentable Over Ashenmil

Claim 26 is rejected as allegedly being obvious over Ashenmil. Applicants respectfully traverse this rejection as follows.

The Office Action concedes that "Ashenmil fails to teach that the source of the cash flow as specifically derived from a future obligation to purchase goods or services." Office Action, page 6. Applicants concur: Ashenmil completely fails to disclose anything having to do with a future obligation to purchase goods and services, let alone a "cash flow is derived from a future obligation to purchase goods or services."

The Office Action does *not* cite any prior art in combination with Ashenmil. The Office Action does *not* cite any art that meets the limitation of a "cash flow is derived from a future obligation to purchase goods or services." The Office Action does *not* rely on any specific art for meeting this limitation, nor does it provide official notice that such art exists. While conceding that Ashenmil fails to disclose a "cash flow is derived from a future obligation to purchase goods or services," the Office Action does *not* explain where this limitation is to be found in the prior art, as is required for a rejection under § 103.

Under 35 U.S.C. § 103, all claim limitations must be taught or suggested in the prior art. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). MPEP § 2143 reinforces this principle: "[T]he prior art reference (or references when combined) must teach or suggest all the claim limitations." Because the Office Action fails to identify any art that discloses "cash flow is derived from a future obligation to purchase goods or services," the rejection of claim 26 is improper and must be withdrawn.

The Office Action appears to suggest that the limitation of a "cash flow is derived from a future obligation to purchase goods or services" need not be addressed. This does not comport with the law or with U.S. Patent Office policy. Indeed, the two cases cited in the Office Action with respect to claim 26 explicitly state that each claim limitation must be addressed. Specifically, the Office Action cites In re Lowry, 32 F.3d 1579, 32 USPQ.2d 1031, 1034 (Fed. Cir. 1994) and In re Gulack, 703 F.2d 1381, 217 USPQ 401, 405 (Fed. Cir. 1983). In overturning the Patent Office's rejection where the Examiner ignored certain claim limitations, the Federal Circuit Court of Lowrey specifically stated that "[t]he Patent and Trademark Office (PTO) must consider all claim limitations when determining patentability of an invention over the prior art." Id. (emphasis added). Moreover, these two cases reversed the Patent Office's rejections in which the Patent Office ignored claim limitations. Specifically, these cases destroyed the idea that claims may be rejected by ignoring claimed "printed matter" limitations. The Gulack Court wrote:

Differences between an invention and the prior art cited against it cannot be ignored merely because those differences reside in the content of the printed

matter. Under section 103, the board cannot dissect a claim, excise the printed matter from it, and declare the remaining portion of the mutilated claim to be unpatentable. The claim must be read as a whole.

The present claims do *not* contain limitations directed to "printed matter." Because both *Lowrey* and *Gulack* are specifically directed to claims containing limitations that recite printed matter, they are, at best, irrelevant to the present analysis, and, at least, in conflict with their purported citation in the Office Action. Under the reasoning of the cases cited in the Office Action, every claim limitation must be considered and given weight, and Applicants respectfully request the same.

The law governing 35 U.S.C § 103 requires that the Patent Office supply motivation for combining references. The present Office Action states its alleged motivation as follows: "it would have been obvious to a person of ordinary skill in the art at the time the invention was made to securitizing cash flow regardless of how the cash flow is derived because [1] such data does not functionally relate to the steps in the method claimed and because [2] the subjective interpretation of the data does not patentably distinguish the claimed invention." Office Action, page 6 (emphasis added). With respect, neither assertion provides proper motivation under § 103.

The statement "such data does not functionally relate to the steps in the method claimed" does not address a combination of Ashenmil with any other cited art. This statement does not constitute motivation to combine anything with Ashenmil, at least because it does not recite any reason that Ashenmill would benefit from being combined with anything. Moreover, this statement appears to be an argument that it is permissible to ignore the limitation of a "cash flow is derived from a future obligation to purchase goods or services." As discussed above, each claim limitation must be found in the prior art.

The statement "the subjective interpretation of the data does not patentably distinguish the claimed invention" likewise does not provide proper motivation to combine. Specifically, there is no "subjective interpretation" in the limitations of claim 26. Claim 26 explicitly recites that

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"the cash flow is derived from a future obligation..." Claim 26 does not recite any subjective element. Moreover, a subjective element would not constitute grounds for ignoring a claim

limitation. As such, claim 26 is patentable over Ashenmill.

In light of the above, Applicants respectfully request that the rejection of claim 26 be reversed.

III. Conclusion

In view of the foregoing, it is respectfully submitted that the present application is in condition for allowance, and an early indication of the same is courteously solicited. The Examiner is respectfully requested to contact the undersigned by telephone at the below-listed telephone number, in order to expedite resolution of any issues and to expedite passage of the present application to issue, if any comments, questions, or suggestions arise in connection with the

present application.

This Reply includes a Petition for a One-Month Extension of Time and associated fees. No additional fee is believed to be required for entry and consideration of this timely Reply. Nevertheless, in the event that the U.S. Patent and Trademark Office requires any additional fee to enter this Reply or to maintain the present application pending, please charge such fee to the

undersigned's Deposit Account No. 50-0206.

Respectfully submitted,

HUNTON & WILLIAMS LLP

By: ._

Registration No. 51.184

February 27, 2006

Hunton & Williams LLP Intellectual Property Department 1900 K Street, N.W., Suite 1200 Washington, DC 20006-1109 (202) 419-2092 (telephone; direct line) (202) 778-2201 (facsimile)

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